

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED

東勝旅遊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

CHANGE IN USE OF PROCEEDS FROM OPEN OFFER

Reference is made to the prospectus of Orient Victory Travel Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 September 2016 (the “**Prospectus**”) and the supplemental announcement of the Company dated 31 October 2019. Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

As disclosed in the Prospectus, the Company intended to use the net proceeds of the Open Offer in the sum of approximately HK\$291.62 million (the “**Net Proceeds**”) (after deducting the related cost and expenses) as follows:

- (a) approximately HK\$7.80 million for the settlement of subscription price in a joint venture company (the “**JV Company**”);
- (b) approximately HK\$200.00 million for capital injection to a fund to be established by the JV Company;
- (c) approximately HK\$31.62 million for strengthening the Company’s general working capital;
- (d) approximately HK\$10.00 million for setting up a wholly-owned licensed corporation regulated by the Securities and Futures Commission;
- (e) approximately HK\$10.2 million for payment of the 6% distribution reserve for the Offered Perpetual Convertible Securities in the amount; and
- (f) approximately HK\$32.00 million for acquisition of asset(s) with potential appreciation (the “**Potential Acquisitions**”) so as to enhance the asset value of the Group.

The intended usage of net proceeds referred to in paragraphs (a), (c) (e) and (f) above had been fully utilized as planned and, for the purpose of allowing the Company to better utilize its financial resources in a more efficient manner and strengthen its future development, approximately HK\$209.21 million was reallocated for the Potential Acquisitions, including acquisition of subsidiaries and land for business development.

As at the date of this announcement, the Group utilised approximately HK\$290.83 million of the Net Proceeds, and the remaining proceeds was approximately HK\$0.79 million (the “**Remaining Proceeds**”). Having considered the current market environment and the overall economic downturns, the board of directors of the Company (the “**Board**”) has resolved not to proceed further with the plans referred to in paragraphs (b) and (d) above and that the Remaining Proceeds will be used as general working capital of the Group.

In view of the above, the Board considers that the change in use of the Remaining Proceeds is in the interests of the Company and its shareholders as a whole. The Board believes that the change in use of proceeds from the Open Offer will not have any material adverse effect on the existing business and operation of the Group.

By order of the Board
Orient Victory Travel Group Company Limited
Shi Baodong
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 9 March 2020

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Shi Baodong, Mr. Zhao Huining and Mr. Mo Yueming, one non-executive Director, being Ms. Song Sining, and three independent non-executive Directors, being Mr. Dong Xiaojie, Mr. He Qi and Mr. Sui Feng-jih.